

passed the Terrorism Risk Insurance Act, creating a Federal backstop and restoring coverage.

Today I can say without a doubt, our efforts were successful. I have witnessed firsthand how this program has substantially helped New York City recover and prosper over the past 12 years. The program has also tripled the number of small businesses nationwide that have terrorism protection. As a direct result of TRIA, over 60 percent of small firms carry some form of coverage.

Some stakeholders have already reported disruptions since TRIA lapsed last week, especially in high-risk cities such as New York. It should be noted that the lapse is not only affecting insurance coverage, but also the financing efforts of many job-creating construction projects.

Is this bill perfect? No, but it will restore certainty to the marketplace and prevent a rate spike that could force two-thirds of small businesses out of the market.

Mr. Speaker, acts of terrorism remain too risky to cover for the vast majority of carriers, especially for the small- and medium-sized firms that dominate the insurance industry. As a result, the Terrorism Risk Insurance Program, which has not cost taxpayers \$1, continues to be a vital component of our economic growth and national security.

Mr. Speaker, I urge my colleagues to support this bill.

Mr. NEUGEBAUER. Mr. Speaker, I reserve the balance of my time.

Mrs. CAROLYN B. MALONEY of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we had other speakers scheduled from New York, but they are not on the floor now, so I would just like to say, in closing, that this is critically important legislation.

I can speak from personal experience, having represented New York during and after 9/11, that after 9/11 you could not even build a hot dog stand. All construction stopped. No one could get any insurance. The only insurance available was from Lloyds of London, and it was incredibly expensive and people could not afford it. We lost thousands and thousands of jobs.

And it happened also, when we came together and started to rebuild not only in New York but the Pentagon and Pennsylvania, I would say, of all the programs that this body put forward—and there were many, and I thank my colleagues on both sides of the aisle for their support—I truly believe that this particular one was certainly the most important in helping New York rebuild and rebound.

I want to add that it did not cost our taxpayers one single dime. It is an innovative way to get building and construction happening across this country. So it is tremendously important to the economy. It is an important bill, and I am so pleased that it has been a bipartisan effort.

This body passed the bill. It stalled in the Senate, but we do need to reauthorize it as swiftly and as quickly as possible. I hope it is an example of how this body can work together on legislation that is critical to this country to rebuild and expand the jobs and our economy and to help strengthen our country in other ways.

So again I thank the leadership on both sides of the aisle for moving so swiftly to bring it to the floor and, really, to Mr. NEUGEBAUER, who was the point person in many ways in the compromise legislation that moved forward.

I urge my colleagues to vote for it. It is the right thing to do for America.

Mr. Speaker, I yield back the balance of my time.

Mr. NEUGEBAUER. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, in closing, I think what you can see by the comments today is that we have a bipartisan piece of legislation. It is a piece of legislation that passed overwhelmingly in the House in the 113th Congress. Unfortunately, it was not taken up by the Senate.

This is a win-win bill. It does a number of really good things for the country; and, more importantly, for the taxpayers, it begins to bring reform in a program that originally was meant to be a temporary program but somehow has become a permanent program, beginning to stairstep-up the private market participation and stairstep-down the taxpayers' participation. It increases the trigger; it increases the amount of recovery that the taxpayers would be able to recover in the case of an event.

Another thing you heard many people talk about is this end-user provision that is going to help farmers and ranchers and small businesses not have to put up additional capital so they can use that capital to create jobs for America.

Another provision in this bill is the NARAB II, which is a small business provision allowing your local insurance agent, maybe he or she can sell insurance in multiple States by being a member of NARAB and being able to not have to get a license in each individual State, but if they are licensed and meet the qualifications in that State, that is recognized by other States.

So this is a great bipartisan effort. It has been, as mentioned, a long process, and so I urge my colleagues to support H.R. 26.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. NEUGEBAUER) that the House suspend the rules and pass the bill, H.R. 26.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. NEUGEBAUER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

PROMOTING JOB CREATION AND REDUCING SMALL BUSINESS BURDENS ACT

Mr. FITZPATRICK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 37) to make technical corrections to the Dodd-Frank Wall Street Reform and Consumer Protection Act, to enhance the ability of small and emerging growth companies to access capital through public and private markets, to reduce regulatory burdens, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 37

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Promoting Job Creation and Reducing Small Business Burdens Act”.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—BUSINESS RISK MITIGATION AND PRICE STABILIZATION ACT

Sec. 101. Margin requirements.

Sec. 102. Implementation.

TITLE II—TREATMENT OF AFFILIATE TRANSACTIONS

Sec. 201. Treatment of affiliate transactions.

TITLE III—HOLDING COMPANY REGISTRATION THRESHOLD EQUALIZATION ACT

Sec. 301. Registration threshold for savings and loan holding companies.

TITLE IV—SMALL BUSINESS MERGERS, ACQUISITIONS, SALES, AND BROKERAGE SIMPLIFICATION ACT

Sec. 401. Registration exemption for merger and acquisition brokers.

Sec. 402. Effective date.

TITLE V—SWAP DATA REPOSITORY AND CLEARINGHOUSE INDEMNIFICATION CORRECTIONS

Sec. 501. Repeal of indemnification requirements.

TITLE VI—IMPROVING ACCESS TO CAPITAL FOR EMERGING GROWTH COMPANIES ACT

Sec. 601. Filing requirement for public filing prior to public offering.

Sec. 602. Grace period for change of status of emerging growth companies.

Sec. 603. Simplified disclosure requirements for emerging growth companies.

TITLE VII—SMALL COMPANY DISCLOSURE SIMPLIFICATION ACT

Sec. 701. Exemption from XBRL requirements for emerging growth companies and other smaller companies.

Sec. 702. Analysis by the SEC.

Sec. 703. Report to Congress.

Sec. 704. Definitions.

TITLE VIII—RESTORING PROVEN FINANCING FOR AMERICAN EMPLOYERS ACT

Sec. 801. Rules of construction relating to collateralized loan obligations.

TITLE IX—SBIC ADVISERS RELIEF ACT

Sec. 901. Advisers of SBICs and venture capital funds.

Sec. 902. Advisers of SBICs and private funds.

Sec. 903. Relationship to State law.

TITLE X—DISCLOSURE MODERNIZATION AND SIMPLIFICATION ACT

Sec. 1001. Summary page for form 10-K.

Sec. 1002. Improvement of regulation S-K.

Sec. 1003. Study on modernization and simplification of regulation S-K.

TITLE XI—ENCOURAGING EMPLOYEE OWNERSHIP ACT

Sec. 1101. Increased threshold for disclosures relating to compensatory benefit plans.

TITLE I—BUSINESS RISK MITIGATION AND PRICE STABILIZATION ACT

SEC. 101. MARGIN REQUIREMENTS.

(a) COMMODITY EXCHANGE ACT AMENDMENT.—Section 4s(e) of the Commodity Exchange Act (7 U.S.C. 6s(e)), as added by section 731 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, is amended by adding at the end the following new paragraph:

“(4) APPLICABILITY WITH RESPECT TO COUNTERPARTIES.—The requirements of paragraphs (2)(A)(ii) and (2)(B)(ii), including the initial and variation margin requirements imposed by rules adopted pursuant to paragraphs (2)(A)(ii) and (2)(B)(ii), shall not apply to a swap in which a counterparty qualifies for an exception under section 2(h)(7)(A), or an exemption issued under section 4(c)(1) from the requirements of section 2(h)(1)(A) for cooperative entities as defined in such exemption, or satisfies the criteria in section 2(h)(7)(D).”.

(b) SECURITIES EXCHANGE ACT AMENDMENT.—Section 15F(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-10(e)), as added by section 764(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, is amended by adding at the end the following new paragraph:

“(4) APPLICABILITY WITH RESPECT TO COUNTERPARTIES.—The requirements of paragraphs (2)(A)(ii) and (2)(B)(ii) shall not apply to a security-based swap in which a counterparty qualifies for an exception under section 3C(g)(1) or satisfies the criteria in section 3C(g)(4).”.

SEC. 102. IMPLEMENTATION.

The amendments made by this title to the Commodity Exchange Act shall be implemented—

(1) without regard to—

(A) chapter 35 of title 44, United States Code; and

(B) the notice and comment provisions of section 553 of title 5, United States Code;

(2) through the promulgation of an interim final rule, pursuant to which public comment will be sought before a final rule is issued; and

(3) such that paragraph (1) shall apply solely to changes to rules and regulations, or proposed rules and regulations, that are limited to and directly a consequence of such amendments.

TITLE II—TREATMENT OF AFFILIATE TRANSACTIONS

SEC. 201. TREATMENT OF AFFILIATE TRANSACTIONS.

(a) IN GENERAL.—

(1) COMMODITY EXCHANGE ACT AMENDMENT.—Section 2(h)(7)(D)(i) of the Commodity Exchange Act (7 U.S.C. 2(h)(7)(D)(i)) is amended to read as follows:

“(i) IN GENERAL.—An affiliate of a person that qualifies for an exception under subparagraph (A) (including affiliate entities predominantly engaged in providing financ-

ing for the purchase of the merchandise or manufactured goods of the person) may qualify for the exception only if the affiliate enters into the swap to hedge or mitigate the commercial risk of the person or other affiliate of the person that is not a financial entity, provided that if the hedge or mitigation of such commercial risk is addressed by entering into a swap with a swap dealer or major swap participant, an appropriate credit support measure or other mechanism must be utilized.”.

(2) SECURITIES EXCHANGE ACT OF 1934 AMENDMENT.—Section 3C(g)(4)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78c-3(g)(4)(A)) is amended to read as follows:

“(A) IN GENERAL.—An affiliate of a person that qualifies for an exception under paragraph (1) (including affiliate entities predominantly engaged in providing financing for the purchase of the merchandise or manufactured goods of the person) may qualify for the exception only if the affiliate enters into the security-based swap to hedge or mitigate the commercial risk of the person or other affiliate of the person that is not a financial entity, provided that if the hedge or mitigation such commercial risk is addressed by entering into a security-based swap with a security-based swap dealer or major security-based swap participant, an appropriate credit support measure or other mechanism must be utilized.”.

(b) APPLICABILITY OF CREDIT SUPPORT MEASURE REQUIREMENT.—The requirements in section 2(h)(7)(D)(i) of the Commodity Exchange Act and section 3C(g)(4)(A) of the Securities Exchange Act of 1934, as amended by subsection (a), requiring that a credit support measure or other mechanism be utilized if the transfer of commercial risk referred to in such sections is addressed by entering into a swap with a swap dealer or major swap participant or a security-based swap with a security-based swap dealer or major security-based swap participant, as appropriate, shall not apply with respect to swaps or security-based swaps, as appropriate, entered into before the date of the enactment of this Act.

TITLE III—HOLDING COMPANY REGISTRATION THRESHOLD EQUALIZATION ACT

SEC. 301. REGISTRATION THRESHOLD FOR SAVINGS AND LOAN HOLDING COMPANIES.

The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended—

(1) in section 12(g)—

(A) in paragraph (1)(B), by inserting after “is a bank” the following: “, a savings and loan holding company (as defined in section 10 of the Home Owners’ Loan Act),”; and

(B) in paragraph (4), by inserting after “case of a bank” the following: “, a savings and loan holding company (as defined in section 10 of the Home Owners’ Loan Act),”; and

(2) in section 15(d), by striking “case of bank” and inserting the following: “case of a bank, a savings and loan holding company (as defined in section 10 of the Home Owners’ Loan Act),”.

TITLE IV—SMALL BUSINESS MERGERS, ACQUISITIONS, SALES, AND BROKERAGE SIMPLIFICATION ACT

SEC. 401. REGISTRATION EXEMPTION FOR MERGER AND ACQUISITION BROKERS.

Section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) is amended by adding at the end the following:

“(13) REGISTRATION EXEMPTION FOR MERGER AND ACQUISITION BROKERS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), an M&A broker shall be exempt from registration under this section.

“(B) EXCLUDED ACTIVITIES.—An M&A broker is not exempt from registration under this paragraph if such broker does any of the following:

“(i) Directly or indirectly, in connection with the transfer of ownership of an eligible privately held company, receives, holds, transmits, or has custody of the funds or securities to be exchanged by the parties to the transaction.

“(ii) Engages on behalf of an issuer in a public offering of any class of securities that is registered, or is required to be registered, with the Commission under section 12 or with respect to which the issuer files, or is required to file, periodic information, documents, and reports under subsection (d).

“(C) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to limit any other authority of the Commission to exempt any person, or any class of persons, from any provision of this title, or from any provision of any rule or regulation thereunder.

“(D) DEFINITIONS.—In this paragraph:

“(i) CONTROL.—The term ‘control’ means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. There is a presumption of control for any person who—

“(I) is a director, general partner, member or manager of a limited liability company, or officer exercising executive responsibility (or has similar status or functions);

“(II) has the right to vote 20 percent or more of a class of voting securities or the power to sell or direct the sale of 20 percent or more of a class of voting securities; or

“(III) in the case of a partnership or limited liability company, has the right to receive upon dissolution, or has contributed, 20 percent or more of the capital.

“(ii) ELIGIBLE PRIVATELY HELD COMPANY.—The term ‘eligible privately held company’ means a company that meets both of the following conditions:

“(I) The company does not have any class of securities registered, or required to be registered, with the Commission under section 12 or with respect to which the company files, or is required to file, periodic information, documents, and reports under subsection (d).

“(II) In the fiscal year ending immediately before the fiscal year in which the services of the M&A broker are initially engaged with respect to the securities transaction, the company meets either or both of the following conditions (determined in accordance with the historical financial accounting records of the company):

“(aa) The earnings of the company before interest, taxes, depreciation, and amortization are less than \$25,000,000.

“(bb) The gross revenues of the company are less than \$250,000,000.

“(iii) M&A BROKER.—The term ‘M&A broker’ means a broker, and any person associated with a broker, engaged in the business of effecting securities transactions solely in connection with the transfer of ownership of an eligible privately held company, regardless of whether the broker acts on behalf of a seller or buyer, through the purchase, sale, exchange, issuance, repurchase, or redemption of, or a business combination involving, securities or assets of the eligible privately held company, if the broker reasonably believes that—

“(I) upon consummation of the transaction, any person acquiring securities or assets of the eligible privately held company, acting alone or in concert, will control and, directly or indirectly, will be active in the management of the eligible privately held company or the business conducted with the assets of the eligible privately held company; and

“(II) if any person is offered securities in exchange for securities or assets of the eligible privately held company, such person will,

prior to becoming legally bound to consummate the transaction, receive or have reasonable access to the most recent year-end balance sheet, income statement, statement of changes in financial position, and statement of owner's equity of the issuer of the securities offered in exchange, and, if the financial statements of the issuer are audited, the related report of the independent auditor, a balance sheet dated not more than 120 days before the date of the offer, and information pertaining to the management, business, results of operations for the period covered by the foregoing financial statements, and material loss contingencies of the issuer.

“(E) INFLATION ADJUSTMENT.—

“(i) IN GENERAL.—On the date that is 5 years after the date of the enactment of this paragraph, and every 5 years thereafter, each dollar amount in subparagraph (D)(ii)(II) shall be adjusted by—

“(I) dividing the annual value of the Employment Cost Index For Wages and Salaries, Private Industry Workers (or any successor index), as published by the Bureau of Labor Statistics, for the calendar year preceding the calendar year in which the adjustment is being made by the annual value of such index (or successor) for the calendar year ending December 31, 2014; and

“(II) multiplying such dollar amount by the quotient obtained under subclause (I).

“(ii) ROUNDING.—Each dollar amount determined under clause (i) shall be rounded to the nearest multiple of \$100,000.”.

SEC. 402. EFFECTIVE DATE.

This Act and any amendment made by this Act shall take effect on the date that is 90 days after the date of the enactment of this Act.

TITLE V—SWAP DATA REPOSITORY AND CLEARINGHOUSE INDEMNIFICATION CORRECTIONS

SEC. 501. REPEAL OF INDEMNIFICATION REQUIREMENTS.

(a) DERIVATIVES CLEARING ORGANIZATIONS.—Section 5b(k)(5) of the Commodity Exchange Act (7 U.S.C. 7a-1(k)(5)) is amended to read as follows:

“(5) CONFIDENTIALITY AGREEMENT.—Before the Commission may share information with any entity described in paragraph (4), the Commission shall receive a written agreement from each entity stating that the entity shall abide by the confidentiality requirements described in section 8 relating to the information on swap transactions that is provided.”.

(b) SWAP DATA REPOSITORIES.—Section 21(d) of the Commodity Exchange Act (7 U.S.C. 24a(d)) is amended to read as follows:

“(d) CONFIDENTIALITY AGREEMENT.—Before the swap data repository may share information with any entity described in subsection (c)(7), the swap data repository shall receive a written agreement from each entity stating that the entity shall abide by the confidentiality requirements described in section 8 relating to the information on swap transactions that is provided.”.

(c) SECURITY-BASED SWAP DATA REPOSITORIES.—Section 13(n)(5)(H) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(n)(5)(H)) is amended to read as follows:

“(H) CONFIDENTIALITY AGREEMENT.—Before the security-based swap data repository may share information with any entity described in subparagraph (G), the security-based swap data repository shall receive a written agreement from each entity stating that the entity shall abide by the confidentiality requirements described in section 24 relating to the information on security-based swap transactions that is provided.”.

(d) EFFECTIVE DATE.—The amendments made by this Act shall take effect as if enacted as part of the Dodd-Frank Wall Street

Reform and Consumer Protection Act (Public Law 111-203) on July 21, 2010.

TITLE VI—IMPROVING ACCESS TO CAPITAL FOR EMERGING GROWTH COMPANIES ACT

SEC. 601. FILING REQUIREMENT FOR PUBLIC FILING PRIOR TO PUBLIC OFFERING.

Section 6(e)(1) of the Securities Act of 1933 (15 U.S.C. 77f(e)(1)) is amended by striking “21 days” and inserting “15 days”.

SEC. 602. GRACE PERIOD FOR CHANGE OF STATUS OF EMERGING GROWTH COMPANIES.

Section 6(e)(1) of the Securities Act of 1933 (15 U.S.C. 77f(e)(1)) is further amended by adding at the end the following: “An issuer that was an emerging growth company at the time it submitted a confidential registration statement or, in lieu thereof, a publicly filed registration statement for review under this subsection but ceases to be an emerging growth company thereafter shall continue to be treated as an emerging market growth company for the purposes of this subsection through the earlier of the date on which the issuer consummates its initial public offering pursuant to such registrations statement or the end of the 1-year period beginning on the date the company ceases to be an emerging growth company.”.

SEC. 603. SIMPLIFIED DISCLOSURE REQUIREMENTS FOR EMERGING GROWTH COMPANIES.

Section 102 of the Jumpstart Our Business Startups Act (Public Law 112-106) is amended by adding at the end the following:

“(d) SIMPLIFIED DISCLOSURE REQUIREMENTS.—With respect to an emerging growth company (as such term is defined under section 2 of the Securities Act of 1933):

“(1) REQUIREMENT TO INCLUDE NOTICE ON FORM S-1.—Not later than 30 days after the date of enactment of this subsection, the Securities and Exchange Commission shall revise its general instructions on Form S-1 to indicate that a registration statement filed (or submitted for confidential review) by an issuer prior to an initial public offering may omit financial information for historical periods otherwise required by regulation S-X (17 C.F.R. 210.1-01 et seq.) as of the time of filing (or confidential submission) of such registration statement, provided that—

“(A) the omitted financial information relates to a historical period that the issuer reasonably believes will not be required to be included in the Form S-1 at the time of the contemplated offering; and

“(B) prior to the issuer distributing a preliminary prospectus to investors, such registration statement is amended to include all financial information required by such regulation S-X at the date of such amendment.

“(2) RELIANCE BY ISSUERS.—Effective 30 days after the date of enactment of this subsection, an issuer filing a registration statement (or submitting the statement for confidential review) on Form S-1 may omit financial information for historical periods otherwise required by regulation S-X (17 C.F.R. 210.1-01 et seq.) as of the time of filing (or confidential submission) of such registration statement, provided that—

“(A) the omitted financial information relates to a historical period that the issuer reasonably believes will not be required to be included in the Form S-1 at the time of the contemplated offering; and

“(B) prior to the issuer distributing a preliminary prospectus to investors, such registration statement is amended to include all financial information required by such regulation S-X at the date of such amendment.”.

TITLE VII—SMALL COMPANY DISCLOSURE SIMPLIFICATION ACT

SEC. 701. EXEMPTION FROM XBRL REQUIREMENTS FOR EMERGING GROWTH COMPANIES AND OTHER SMALLER COMPANIES.

(a) EXEMPTION FOR EMERGING GROWTH COMPANIES.—Emerging growth companies are exempted from the requirements to use Extensible Business Reporting Language (XBRL) for financial statements and other periodic reporting required to be filed with the Commission under the securities laws. Such companies may elect to use XBRL for such reporting.

(b) EXEMPTION FOR OTHER SMALLER COMPANIES.—Issuers with total annual gross revenues of less than \$250,000,000 are exempt from the requirements to use XBRL for financial statements and other periodic reporting required to be filed with the Commission under the securities laws. Such issuers may elect to use XBRL for such reporting. An exemption under this subsection shall continue in effect until—

(1) the date that is five years after the date of enactment of this Act; or

(2) the date that is two years after a determination by the Commission, by order after conducting the analysis required by section 702, that the benefits of such requirements to such issuers outweigh the costs, but no earlier than three years after enactment of this Act.

(c) MODIFICATIONS TO REGULATIONS.—Not later than 60 days after the date of enactment of this Act, the Commission shall revise its regulations under parts 229, 230, 232, 239, 240, and 249 of title 17, Code of Federal Regulations, to reflect the exemptions set forth in subsections (a) and (b).

SEC. 702. ANALYSIS BY THE SEC.

The Commission shall conduct an analysis of the costs and benefits to issuers described in section 701(b) of the requirements to use XBRL for financial statements and other periodic reporting required to be filed with the Commission under the securities laws. Such analysis shall include an assessment of—

(1) how such costs and benefits may differ from the costs and benefits identified by the Commission in the order relating to interactive data to improve financial reporting (dated January 30, 2009; 74 Fed. Reg. 6776) because of the size of such issuers;

(2) the effects on efficiency, competition, capital formation, and financing and on analyst coverage of such issuers (including any such effects resulting from use of XBRL by investors);

(3) the costs to such issuers of—

(A) submitting data to the Commission in XBRL;

(B) posting data on the website of the issuer in XBRL;

(C) software necessary to prepare, submit, or post data in XBRL; and

(D) any additional consulting services or filing agent services;

(4) the benefits to the Commission in terms of improved ability to monitor securities markets, assess the potential outcomes of regulatory alternatives, and enhance investor participation in corporate governance and promote capital formation; and

(5) the effectiveness of standards in the United States for interactive filing data relative to the standards of international counterparts.

SEC. 703. REPORT TO CONGRESS.

Not later than one year after the date of enactment of this Act, the Commission shall provide the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report regarding—

(1) the progress in implementing XBRL reporting within the Commission;

(2) the use of XBRL data by Commission officials;

(3) the use of XBRL data by investors;

(4) the results of the analysis required by section 702; and

(5) any additional information the Commission considers relevant for increasing transparency, decreasing costs, and increasing efficiency of regulatory filings with the Commission.

SEC. 704. DEFINITIONS.

As used in this title, the terms “Commission”, “emerging growth company”, “issuer”, and “securities laws” have the meanings given such terms in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c).

TITLE VIII—RESTORING PROVEN FINANCING FOR AMERICAN EMPLOYERS ACT

SEC. 801. RULES OF CONSTRUCTION RELATING TO COLLATERALIZED LOAN OBLIGATIONS.

Section 13(c)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1851(c)(2)) is amended—

(1) by striking “A banking entity or nonbank financial company supervised by the Board” and inserting the following:

“(A) GENERAL CONFORMANCE PERIOD.—A banking entity or nonbank financial company supervised by the Board”;

(2) by adding at the end the following:

“(B) CONFORMANCE PERIOD FOR CERTAIN COLLATERALIZED LOAN OBLIGATIONS.—

“(i) IN GENERAL.—Notwithstanding subparagraph (A), a banking entity or nonbank financial company supervised by the Board shall bring its activities related to or investments in a debt security of a collateralized loan obligation issued before January 31, 2014, into compliance with the requirements of subsection (a)(1)(B) and any applicable rules relating to subsection (a)(1)(B) not later than July 21, 2019.

“(ii) COLLATERALIZED LOAN OBLIGATION.—For purposes of this subparagraph, the term ‘collateralized loan obligation’ means any issuing entity of an asset-backed security, as defined in section 3(a)(77) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(77)), that is comprised primarily of commercial loans.”.

TITLE IX—SBIC ADVISERS RELIEF ACT

SEC. 901. ADVISERS OF SBICS AND VENTURE CAPITAL FUNDS.

Section 203(l) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(l)) is amended—

(1) by striking “No investment adviser” and inserting the following:

“(1) IN GENERAL.—No investment adviser”;

and

(2) by adding at the end the following:

“(2) ADVISERS OF SBICS.—For purposes of this subsection, a venture capital fund includes an entity described in subparagraph (A), (B), or (C) of subsection (b)(7) (other than an entity that has elected to be regulated or is regulated as a business development company pursuant to section 54 of the Investment Company Act of 1940).”.

SEC. 902. ADVISERS OF SBICS AND PRIVATE FUNDS.

Section 203(m) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(m)) is amended by adding at the end the following:

“(3) ADVISERS OF SBICS.—For purposes of this subsection, the assets under management of a private fund that is an entity described in subparagraph (A), (B), or (C) of subsection (b)(7) (other than an entity that has elected to be regulated or is regulated as a business development company pursuant to section 54 of the Investment Company Act of 1940) shall be excluded from the limit set forth in paragraph (1).”.

SEC. 903. RELATIONSHIP TO STATE LAW.

Section 203A(b)(1) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3a(b)(1)) is amended—

(1) in subparagraph (A), by striking “or” at the end;

(2) in subparagraph (B), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(C) that is not registered under section 203 because that person is exempt from registration as provided in subsection (b)(7) of such section, or is a supervised person of such person.”.

TITLE X—DISCLOSURE MODERNIZATION AND SIMPLIFICATION ACT

SEC. 1001. SUMMARY PAGE FOR FORM 10-K.

Not later than the end of the 180-day period beginning on the date of the enactment of this Act, the Securities and Exchange Commission shall issue regulations to permit issuers to submit a summary page on form 10-K (17 C.F.R. 249.310), but only if each item on such summary page includes a cross-reference (by electronic link or otherwise) to the material contained in form 10-K to which such item relates.

SEC. 1002. IMPROVEMENT OF REGULATION S-K.

Not later than the end of the 180-day period beginning on the date of the enactment of this Act, the Securities and Exchange Commission shall take all such actions to revise regulation S-K (17 C.F.R. 229.10 et seq.)—

(1) to further scale or eliminate requirements of regulation S-K, in order to reduce the burden on emerging growth companies, accelerated filers, smaller reporting companies, and other smaller issuers, while still providing all material information to investors;

(2) to eliminate provisions of regulation S-K, required for all issuers, that are duplicative, overlapping, outdated, or unnecessary; and

(3) for which the Commission determines that no further study under section 1003 is necessary to determine the efficacy of such revisions to regulation S-K.

SEC. 1003. STUDY ON MODERNIZATION AND SIMPLIFICATION OF REGULATION S-K.

(a) STUDY.—The Securities and Exchange Commission shall carry out a study of the requirements contained in regulation S-K (17 C.F.R. 229.10 et seq.). Such study shall—

(1) determine how best to modernize and simplify such requirements in a manner that reduces the costs and burdens on issuers while still providing all material information;

(2) emphasize a company by company approach that allows relevant and material information to be disseminated to investors without boilerplate language or static requirements while preserving completeness and comparability of information across registrants; and

(3) evaluate methods of information delivery and presentation and explore methods for discouraging repetition and the disclosure of immaterial information.

(b) CONSULTATION.—In conducting the study required under subsection (a), the Commission shall consult with the Investor Advisory Committee and the Advisory Committee on Small and Emerging Companies.

(c) REPORT.—Not later than the end of the 360-day period beginning on the date of enactment of this Act, the Commission shall issue a report to the Congress containing—

(1) all findings and determinations made in carrying out the study required under subsection (a);

(2) specific and detailed recommendations on modernizing and simplifying the requirements in regulation S-K in a manner that reduces the costs and burdens on companies while still providing all material information; and

(3) specific and detailed recommendations on ways to improve the readability and navigability of disclosure documents and to discourage repetition and the disclosure of immaterial information.

(d) RULEMAKING.—Not later than the end of the 360-day period beginning on the date that the report is issued to the Congress under subsection (c), the Commission shall issue a proposed rule to implement the recommendations of the report issued under subsection (c).

(e) RULE OF CONSTRUCTION.—Revisions made to regulation S-K by the Commission under section 1002 shall not be construed as satisfying the rulemaking requirements under this section.

TITLE XI—ENCOURAGING EMPLOYEE OWNERSHIP ACT

SEC. 1101. INCREASED THRESHOLD FOR DISCLOSURES RELATING TO COMPENSATORY BENEFIT PLANS.

Not later than 60 days after the date of the enactment of this Act, the Securities and Exchange Commission shall revise section 230.701(e) of title 17, Code of Federal Regulations, so as to increase from \$5,000,000 to \$10,000,000 the aggregate sales price or amount of securities sold during any consecutive 12-month period in excess of which the issuer is required under such section to deliver an additional disclosure to investors. The Commission shall index for inflation such aggregate sales price or amount every 5 years to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, rounding to the nearest \$1,000,000.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. FITZPATRICK) and the gentleman from Minnesota (Mr. ELLISON) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania.

GENERAL LEAVE

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous materials for the RECORD on H.R. 37, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, thank you for the time and for the opportunity to again bring this bill before the House as a piece of a larger strategy that will bring greater jobs and more opportunity to the American people and to American families.

I am proud to once again sponsor the Promoting Job Creation and Reducing Small Business Burdens Act, a bill which includes the language of pro-growth measures debated and passed last Congress in the Financial Services Committee and in the Agriculture Committee.

While these proposals aren't flashy, they represent bipartisan efforts to remove the burdensome weight of one-size-fits-all regulation that has, sadly, become the norm for Washington. While often well-intentioned, many of

these top-down regulations hurt small businesses and emerging businesses in critical sectors like biotechnology.

As the Representative of one of the Nation's fastest-growing biotech regions just outside Philadelphia, I have experienced firsthand the impact of this vibrant industry in southeastern Pennsylvania. Employing thousands of hardworking men and women, this sector harnesses the best of our STEM community and what it has to offer in our efforts to create treatments and cures for devastating diseases from diabetes and Alzheimer's to cancer and HIV/AIDS.

For these businesses, government overregulation often treats the little guy the same as big multinational corporations, tying them in costly red tape at the expense of their ability to research, to develop, to innovate, and to hire.

This bill takes a meaningful step toward ensuring smarter, tailored regulations which unleash businesses, like biotech companies in my district, to invest in themselves and in their workers. But biotech workers wouldn't be the only ones to benefit. So would employees at retailers like grocery chain Wegmans.

Employing 44,000 people, including 8,200 in the Commonwealth of Pennsylvania, Wegmans is constantly ranked among the Nation's best places to work by Fortune magazine, a grade they attribute to their employee ownership opportunities, which allow their workers to have a stake in the business that they work for.

However, a little-known piece of regulatory overreach is hamstringing these opportunities, an overreach recognized and adjusted by this legislation. By creating a more realistic regulatory environment, this bill provides relief to businesses looking to retain their best employees, while allowing workers to invest in the company and in their own futures.

In lieu of the failed Washington efforts of the past which tried to simply legislate more jobs into existence, the Promoting Job Creation and Reducing Small Business Burdens Act is very much a jobs bill because it addresses these job-creating needs. By reining in government's heavyhanded approach to regulating the economy, we can provide a bipartisan path toward getting people back to work, helping businesses grow, and ensuring hardworking Americans keep more of their hard-earned money.

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Mr. Speaker, the challenges facing our economy are steep. However, they are no more daunting than the challenges we have overcome in the past in the way that Americans have always approached adversity: head on, with American ingenuity, practicality, and a commitment of leaders on both sides of the aisle to act in the best interests of the working men and women we represent.

The ushering in of this new Congress gives us the perfect opportunity for Members of both parties to unite around efforts to put the American worker back in the driver's seat and to establish a bipartisan playbook for advancing common goals. Now is the time, and the Promoting Job Creation and Reducing Small Business Burdens Act is an important part of that process. I urge my colleagues to support this legislation.

I reserve the balance of my time.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, DC, January 7, 2015.

Hon. JEB HENSARLING,
Chairman, Committee on Financial Services,
Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN HENSARLING: I am writing concerning H.R. 37, "Promoting Job Creation and Reducing Small Business Burdens Act."

As you know, provisions of H.R. 37 are within the jurisdiction of the Committee on Agriculture. In order to expedite floor consideration of the bill, the Committee on Agriculture will forgo action on H.R. 37. Further, the Committee will not oppose the bill's consideration on the suspension calendar. This is also being done with the understanding that it does not in any way prejudice the Committee with respect to the appointment of conferees or its jurisdictional prerogatives on this or similar legislation.

I would appreciate your response to this letter, confirming this understanding with respect to H.R. 37, and would ask that a copy of our exchange of letters on this matter be included in the Congressional Record during Floor consideration.

Sincerely,

K. MICHAEL CONAWAY,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, January 7, 2015.

Hon. K. MICHAEL CONAWAY,
Chairman, Committee on Agriculture, Longworth House Office Building, Washington, DC.

DEAR CHAIRMAN CONAWAY: Thank you for your letter of even date herewith regarding H.R. 37, the Promoting Job Creation and Reducing Small Business Burdens Act.

I am most appreciative of your decision to forego consideration of H.R. 37 so that it may move expeditiously to the House floor. I acknowledge that although you are waiving formal consideration of the bill, the Committee on Agriculture is in no way waiving its jurisdiction over any subject matter contained in the bill that falls within its jurisdiction. In addition, if a conference is necessary on this legislation, I will support any request that your committee be represented therein.

Finally, I shall be pleased to include your letter and this letter in the Congressional Record during floor consideration of H.R. 37.

Sincerely,

JEB HENSARLING,
Chairman.

Mr. ELLISON. Mr. Speaker, I yield myself as much time as I may consume.

What is before us today is a mini omnibus bill that contains, actually, 11 separate pieces of legislation, some of which may not be controversial but some of which are incredibly controversial and do not belong in this legislation. This is not an emergency. We

have a new Congress. This bill should go through the regular order. Unlike the TRIA bill we just talked about, this bill is a bill which should and must go through the regular order, and it is absolutely inappropriate for the suspension calendar.

Our Republican friends would have us believe that this is just some benign piece of legislation, yet this bill contains not only procedural problems but substantive problems which have never seen the light of day in any committee. Some of the legislation has only been public for about 24 hours, and what is particularly frightening is that the text of the bill has changed at least three times since Tuesday. We just got started yesterday in talking about the importance of regular order, and we are already violating those claims and promises.

Mr. Speaker, the House of Representatives should return to regular order with this piece of legislation, and I urge my colleagues to reject it. Regular order, whereby legislation is debated at a hearing, marked up by a committee, and then finally considered by the whole House, is the process by which we vet legislation. That is not going on right here and right now, and there is no good reason for it. We do this to ensure that we fully understand the changing law. Nevertheless, Republicans have come here to suspend the rules and to consider a package of 11 bills which will ease the oversight of Wall Street firms, large banks, multinational corporations, and certain brokers.

It should be pointed out right now that the ranking member of the House Financial Services Committee, MAXINE WATERS, who is unable to be in Washington due to personal matters she has to address, has issued a call to reject this piece of legislation for many of the reasons I am articulating now.

I think it is also important to point out that there are 52 Members of Congress who were sworn in yesterday and who represent more than 30 million Americans who will have to vote on bills affecting a collateral firm's pledge, when they borrow money, affecting what information must be disclosed about certain brokers and financial statements of firms, without the opportunity to offer changes. This is the absolute antithesis of regular order, and this bill is not appropriate. We urge a "no."

I would like to talk a little bit about the specific reasons this bill is bad. Members should know that this is not the identical bill that came through in the fall. It has very important changes. If you voted for it last fall, that is no reason to vote for this bill now.

First, the Volcker rule. This bill undercuts an important part of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Volcker rule was intended to prevent deposit-taking banks—banks that use money insured by the Federal Government, the people's money—from making bets

and using taxpayer-insured funds. The Federal Reserve went out of its way to try to ease the transition to a safer system, but this bill would give megabanks an additional 2 years, totaling 5 years, to sell off certain securities in which they retain ownership rights—5 more years of risk, 5 more years of massive profit-taking. This provision, which almost certainly juices the profits of big, megabanks like Citigroup and JPMorgan, has never been vetted. The public has not even had a day to review the text. It is wrong that bills that help Wall Street and multinational corporations get fast-tracked on day 2 of this Congress while bills that help working families get slowed up for years, literally.

Just last month, Republicans successfully handed Citigroup and other megabanks a multibillion-dollar gift by repealing another reform measure, known as the “swaps push-out,” which was intended to prevent another Great Recession. The repeal of that provision allowed the megabanks to continue to borrow money from the Federal Reserve lending window, which is currently at about zero percent interest, to finance their risky derivatives. Experts have weighed in. Let me read for the RECORD the statement by the CEO of Better Markets:

“It’s all about the bonus pool,” said Dennis Kelleher, president and CEO of Better Markets, a financial reform nonprofit. “The attack on the Volcker rule has been nonstop because proprietary trading is about big-time bets that result in big-time bonuses. Wall Street has been fighting it from day one, and they’re not going to stop.”

If you believe that there are things in this mini omnibus, or this megabill, that might be worth your support, understand that this particular provision has not been vetted anywhere. For that reason alone they are literally trying to sneak it in, and you should vote against it.

Also, this particular bill includes three other provisions that weaken the Dodd-Frank Wall Street Reform and Consumer Protection Act. These provisions take away the authority of regulators who are charged with ensuring that everybody plays by the same rules so that, if at some point in the future, we find out that our financial system is threatened, our regulators will be unable to take decisive action to fix the problems that they can fix today.

After witnessing the effect that one type of derivative—the credit default swap—had in spreading losses from the subprime mortgage market around the world, I would like to know why our first order of business in this Congress is to roll back the financial reforms that this Congress deliberated on and passed over an 18-month period following the 2008 financial crisis.

This bill undermines investor protections. It includes three provisions that have the potential to leave investors worse off than they are today. As we proclaim small investors and workers and all of these things, why are we un-

dermining investor protections? In one instance, the bill exempts individuals who would broker a merger of a privately owned company to be exempt from SEC regulations. Since this legislation passed in a previous Congress, the SEC has taken action to make this unnecessary. However, if we pass this bill today, we will undermine a few basic investor protections that the SEC has retained.

For example, the SEC determined that bad actors, such as convicted securities fraudsters, should not be able to take advantage of a carve-out. However, by voting “yes,” you are saying that it is okay for people convicted of fraud to sell other things, like franchises or the restaurant down the street. Another provision would allow 75 percent of all public companies to no longer report their financial statements in computer readable formats. When everything is online today and when investors rely on computers to crunch the financials of various companies, this bill comes across as a huge step backwards.

My colleagues want to address this bill, and I think it is important that they do. So, at this point, I am going to urge a “no” vote.

I reserve the balance of my time.

Mr. FITZPATRICK. Mr. Speaker, I now yield 4 minutes to the gentleman from Texas (Mr. CONAWAY), who is the chairman of the Agriculture Committee.

Mr. CONAWAY. I thank my colleague from Pennsylvania for allowing me to speak on his bill.

Mr. Speaker, I rise today in support of H.R. 37, the Promoting Job Creation and Reducing Small Business Burdens Act.

I am especially proud of and would like to highlight the past work of the Agriculture Committee on the three titles of this bill under its jurisdiction: the Business Risk Mitigation and Price Stabilization Act; a provision on the treatment of affiliate transactions; and a provision regarding swap data repository and clearinghouse indemnification correction.

As I noted in the debate earlier today on TRIA, the Business Risk Mitigation and Price Stabilization Act is legislation to clarify Congress’ intent to exempt non-financial businesses from a misguided regulatory requirement to post margin requirements on their hedging activities. Clearing and margining, while appropriate for some transactions, are not appropriate for end users hedging real-world commercial risks. Their hedging activities are not large enough to present a systemic risk, and a margin requirement represents a significant and needless expense with little value to the overall financial system.

Title I puts in statute protections for American businesses. To grow our economy, businesses should use their scarce capital to buy new equipment, to hire more workers, to build new facilities, and to invest in the future.

They cannot do that if they are required to hold money in margin accounts to fulfill a misguided regulation.

Similarly, title II, regarding the treatment of interaffiliate transactions, was also passed by the House multiple times in the 113th Congress, and it will provide additional certainty to American businesses. It will do so by preventing the redundant regulation of harmless interaffiliate transactions that would unnecessarily tie up the working capital of companies, with no added protections for the market or benefits to our consumers. Today, businesses across the Nation rely on the ability to centralize their hedging activities. This consolidation of a hedging portfolio across a corporate group allows businesses to reduce costs, to simplify their financial dealings, and to reduce their counterparty credit risk. Title II of this bill will allow American businesses to continue utilizing this efficient, time-tested model.

Finally, title V of H.R. 37 provides much-needed corrections to the swap data repository and clearinghouse indemnification requirements of Dodd-Frank. Currently, Dodd-Frank requires a foreign regulator requesting information from a U.S. swap data repository or derivatives clearing organization to provide a written agreement stating it will abide by certain confidentiality requirements and will indemnify the U.S. Commissions for any expenses arising from litigation relating to the request for that information.

The concept of indemnification—requiring a party to contractually agree to pay for another party’s possible litigation expenses—is established within U.S. tort law and does not exist in many foreign jurisdictions. Thus, it is not possible for some foreign regulators to agree to these indemnification requirements. This requirement threatens to make data-sharing arrangements with foreign regulators unworkable.

H.R. 37 mitigates this problem by simply removing the indemnification provisions in Dodd-Frank while maintaining the prerequisite written agreement requiring certain confidentiality obligations will be met. So, rather than stripping down Dodd-Frank, as we are so often accused of doing, this change would actually serve to enhance market transparency and risk mitigation by ensuring that regulators and market participants have access to a global set of swap market data.

As chairman of the House Committee on Agriculture and as a cosponsor of each of these three bills in the 113th Congress, I appreciate Mr. FITZPATRICK’s work in bringing these provisions together in a package that reduces the regulatory burdens and that promotes economic growth. I strongly urge my colleagues to support the legislation.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, DC, January 7, 2015.

MR. SPEAKER: I am pleased to see three bills that the House Committee on Agriculture passed in the 113th Congress included as Titles I, II, and V of H.R. 37, "Promoting Job Creation and Reducing Small Business Burdens Act."

H.R. 634, H.R. 5471, and H.R. 742, which were also included as Subtitles A, B, and C of Title III of H.R. 4413, "Customer Protection and End-User Relief Act," from the 113th Congress, provide important protections to end-users from costly margining requirements and needless regulatory burdens; as well as correct an unworkable provision in Dodd-Frank which required foreign regulators to break their local laws in order to access the market data they needed to enforce their laws.

In support of these titles, I would like to request that the pertinent portions of the Committee on Agriculture report to accompany H.R. 4413 in the 113th Congress be included in the appropriate place in the Congressional Record.

Sincerely,

K. MICHAEL CONAWAY,
Chairman.

TITLE 3—END-USER RELIEF

SUBTITLE A—END-USER EXEMPTION FROM MARGIN REQUIREMENTS

Section 311—End-user margin requirements

Section 311 amends Section 4s(e) of the Commodity Exchange Act (CEA) as added by Section 731 of the Dodd-Frank Act to provide an explicit exemption from margin requirements for swap transactions involving end-users that qualify for the clearing exception under 2(h)(7)(A).

"End-users" are thousands of companies across the United States who utilize derivatives to hedge risks associated with their day-to-day operations, such as fluctuations in the prices of raw materials. Because these businesses do not pose systemic risk, Congress intended that the Dodd-Frank Act provide certain exemptions for end-users to ensure they were not unduly burdened by new margin and capital requirements associated with their derivatives trades that would hamper their ability to expand and create jobs.

Indeed, Title VII of the Dodd-Frank Act includes an exemption for non-financial end-users from centrally clearing their derivatives trades. This exemption permits end-users to continue trading directly with a counterparty, (also known as trading "bilaterally," or over-the-counter (OTC)) which means their swaps are negotiated privately between two parties and they are not executed and cleared using an exchange or clearinghouse. Generally, it is common for non-financial end-users, such as manufacturers, to avoid posting cash margin for their OTC derivative trades. End-users generally will not post margin because they are able to negotiate such terms with their counterparties due to the strength of their own balance sheet or by posting non-cash collateral, such as physical property. End-users typically seek to preserve their cash and liquid assets for reinvestment in their businesses. In recognition of this common practice, the Dodd-Frank Act included an exemption from margin requirements for end-users for OTC trades.

Section 731 of the Dodd-Frank Act (and Section 764 with respect to security-based swaps) requires margin requirements be applied to swap dealers and major swap participants for swaps that are not centrally cleared. For swap dealers and major swap participants that are banks, the prudential

banking regulators (such as the Federal Reserve or Federal Deposit Insurance Corporation) are required to set the margin requirements. For swap dealers and major swap participants that are not banks, the CFTC is required to set the margin requirements. Both the CFTC and the banking regulators have issued their own rule proposals establishing margin requirements pursuant to Section 731.

Following the enactment of the Dodd-Frank Act in July of 2010, uncertainty arose regarding whether this provision permitted the regulators to impose margin requirements on swap dealers when they trade with end-users, which could then result in either a direct or indirect margin requirement on end-users. Subsequently, Senators Blanche Lincoln and Chris Dodd sent a letter to then-Chairmen Barney Frank and Collin Peterson on June 30, 2010, to set forth and clarify congressional intent, stating:

The legislation does not authorize the regulators to impose margin on end-users, those exempt entities that use swaps to hedge or mitigate commercial risk. If regulators raise the costs of end-user transactions, they may create more risk. It is imperative that the regulators do not unnecessarily divert working capital from our economy into margin accounts, in a way that would discourage hedging by end-users or impair economic growth.

In addition, statements in the legislative history of section 731 (and Section 764) suggests that Congress did not intend, in enacting this section, to impose margin requirements on nonfinancial end-users engaged in hedging activities, even in cases where they entered into swaps with swap entities.

In the CFTC's proposed rule on margin, it does not require margin for un-cleared swaps when non-bank swap dealers transact with non-financial end-users. However, the prudential banking regulators proposed rules would require margin be posted by non-financial end-users above certain established thresholds when they trade with swap dealers that are banks. Many of end-users' transactions occur with swap dealers that are banks, so the banking regulators' proposed rule is most relevant, and therefore of most concern, to end-users.

By the prudential banking regulators' own terms, their proposal to require margin stems directly from what they view to be a legal obligation under Title VII. The plain language of section 731 provides that the Agencies adopt rules for covered swap entities imposing margin requirements on all non-cleared swaps. Despite clear congressional intent, those sections do not, by their terms, exclude a swap with a counterparty, that is a commercial end-user. By providing an explicit exemption under Title VII through enactment of this provision, the prudential regulators will no longer have a perceived legal obligation, and the congressional intent they acknowledge in their proposed rule will be implemented.

The Committee notes that in September of 2013, the International Organization of Securities Commissions (IOSCO) and the Bank of International Settlements published their final recommendations for margin requirements for uncleared derivatives. Representatives from a number of U.S. regulators, including the CFTC and the Board of Governors of the Federal Reserve participated in the development of those margin requirements, which are intended to set baseline international standards for margin requirements. It is the intent of the Committee that any margin requirements promulgated under the authority provided in Section 4s of the Commodity Exchange Act should be generally consistent with the international margin standards established by IOSCO.

On March 14, 2013, at a hearing entitled "Examining Legislative Improvements to Title VII of the Dodd-Frank Act," the following testimony was provided to the Committee with respect to provisions included in Section 311:

In approving the Dodd-Frank Act, Congress made clear that end-users were not to be subject to margin requirements. Nonetheless, regulations proposed by the Prudential Banking Regulators could require end-users to post margin. This stems directly from what they view to be a legal obligation under Title VII. While the regulations proposed by the CFTC are preferable, they do not provide end-users with the certainty that legislation offers. According to a Coalition for Derivatives End-Users survey, a 3% initial margin requirement could reduce capital spending by as much as \$5.1 to \$6.7 billion among S&P 500 companies alone and cost 100,000 to 130,000 jobs. To shed some light on Honeywell's potential exposure to margin requirements, we had approximately \$2 billion of hedging contracts outstanding at year-end that would be defined as a swap under Dodd-Frank. Applying 3% initial margin and 10% variation margin implies a potential margin requirement of \$260 million. Cash deposited in a margin account cannot be productively deployed in our businesses and therefore detracts from Honeywell's financial performance and ability to promote economic growth and protect American jobs.—Mr. James E. Colby, Assistant Treasurer, Honeywell International Inc.

On May 21, 2013, at a hearing entitled "The Future of the CFTC: Market Perspectives," Mr. Stephen O'Connor, Chairman, ISDA, provided the following testimony with respect to provisions included in Section 311:

Perhaps most importantly, we do not believe that initial margin will contribute to the shared goal of reducing systemic risk and increasing systemic resilience. When robust variation margin practices are employed, the additional step of imposing initial margin imposes an extremely high cost on both market participants and on systemic resilience with very little countervailing benefit. The Lehman and AIG situations highlight the importance of variation margin. AIG did not follow sound variation margin practices, which resulted in dangerous levels of credit risk building up, ultimately leading to its bailout. Lehman, on the other hand, posted daily variation margin, and while its failure caused shocks in many markets, the variation margin prevented outsized losses in the OTC derivatives markets. While industry and regulators agree on a robust variation margin regime including all appropriate products and counterparties, the further step of moving to mandatory IM [initial margin] does not stand up to any rigorous cost-benefit analysis.

Based on the extensive background that accompanies the statutory change provided explicitly in Section 311, the Committee intends that initial and variation margin requirements cannot be imposed on uncleared swaps entered into by cooperative entities if they similarly qualify for the CFTC's cooperative exemption with respect to cleared swaps. Cooperative entities did not cause the financial crisis and should not be required to incur substantial new costs associated with posting initial and variation margin to counterparties. In the end, these costs will be borne by their members in the form of higher prices and more limited access to credit, especially in underserved markets, such as in rural America. Therefore, the Committee's clear intent when drafting Section 311 was to prohibit the CFTC and prudential regulators, including the Farm Credit Administration, from imposing margin requirements on cooperative entities.

SUBTITLE B—INTER-AFFILIATE SWAPS

Sec. 321—Treatment of affiliate transactions

“Inter-affiliate” swaps are contracts executed between entities under common corporate ownership. Section 321 would amend the Commodity Exchange Act to provide an exemption for inter-affiliate swaps from the clearing and execution requirements of the Dodd-Frank Act so long as the swap transaction hedges or mitigates the commercial risk of an entity that is not a financial entity. The section also requires that an “appropriate credit support measure or other mechanism” be utilized between the entity seeking to hedge against commercial risk if it transacts with a swap dealer or major swap participant, but this credit support measure requirement is effective prospectively from the date H.R. 4413 is enacted into law.

Importantly, with respect to Section 321’s use of the phrase “credit support measure or other mechanism,” the Committee unequivocally does not intend for the CFTC to interpret this statutory language as a mandate to require initial or variation margin for swap transactions. The Committee intends for the CFTC to recognize that credit support measures and other mechanisms have been in use between counterparties and affiliates engaged in swap transactions for many years in different formats, and therefore, there is no need to engage in a rulemaking to define such broad terminology.

Section 321 originated from the need to provide relief for a parent company that has multiple affiliates within a single corporate group. Individually, these affiliates may seek to offset their business risks through swaps. However, rather than having each affiliate separately go to the market to engage in a swap with a dealer counterparty, many companies will employ a business model in which only a single or limited number of entities, such as a treasury hedging center, face swap dealers. These designated external facing entities will then allocate the transaction and its risk mitigating benefits to the affiliate seeking to mitigate its underlying risk.

Companies that use this business model argue that it reduces the overall credit risk a corporate group poses to the market because they can net their positions across affiliates, reducing the number of external facing transactions overall. In addition, it permits a company to enhance its efficiency by centralizing its risk management expertise in a single or limited number of affiliates.

Should these inter-affiliate transactions be treated as all other swaps, they could be subject to clearing, execution and margin requirements. Companies that use inter-affiliate swaps are concerned that this could substantially increase their costs, without any real reduction in risk in light of the fact that these swaps are purely for internal use. For example, these swaps could be “double-margined”—when the centralized entity faces an external swap dealer, and then again when the same transaction is allocated internally to the affiliate that sought to hedge the risk.

The uncertainty that exists regarding the treatment of inter-affiliate swaps spans multiple rulemakings that have been proposed or that will be proposed pursuant to the Dodd-Frank Act. Section 321 provides certainty and clarity as to what inter-affiliate transactions are and how they are not to be regulated as swaps when the parties to the transaction are under common control.

On March, 14, 2013, at a hearing entitled “Examining Legislative Improvements to Title VII of the Dodd-Frank Act,” the following testimony was provided with respect to efforts to address the problem with inter-affiliate swaps:

[I]nter-affiliate swaps provide important benefits to corporate groups by enabling centralized management of market, liquidity, capital and other risks inherent in their businesses and allowing these groups to realize hedging efficiencies. Since the swaps are between affiliates, rather than with external counterparties, they pose no systemic risk and therefore there are no significant gains to be achieved by requiring them to be cleared or subjecting them to margin posting requirements. In addition, these swaps are not market transactions and, as a result, requiring market participants to report them or trade them on an exchange or swap execution facility provides no transparency benefits to the market—if anything, it would introduce useless noise that would make Dodd-Frank’s transparency rules less helpful.—Hon. Kenneth E. Bentsen, Acting President and CEO, SIFMA

This legislation would ensure that inter-affiliate derivatives trades, which take place between affiliated entities within a corporate group, do not face the same demanding regulatory requirements as market-facing swaps. The legislation would also ensure that end-users are not penalized for using central hedging centers to manage their commercial risk. There are two serious problems facing end-users that need addressing. First, under the CFTC’s proposed inter-affiliate swap rule, financial end-users would have to clear purely internal trades between affiliates unless they posted variation margin between the affiliates or met specific requirements for an exception [if these end-users have to post variation margin, there is little point to exempting inter-affiliate trades from clearing requirements, as the costs could be similar. And let’s not forget the larger point—internal end-user trades do not create systemic risk and, hence, should not be regulated the same as those trades that do. Second, many end-users—approximately one-quarter of those we surveyed—execute swaps through an affiliate. This of course makes sense, as many companies find it more efficient to manage their risk centrally, to have one affiliate trading in the open market, instead of dozens or hundreds of affiliates making trades in an uncoordinated fashion. Using this type of hedging unit centralizes expertise, allows companies to reduce the number of trades with the street and improves pricing. These advantages led me to centralize the treasury function at Westinghouse while I was there. However, the regulators’ interpretation of the Dodd-Frank Act confronts non-financial end-users with a choice: either dismantle their central hedging centers and find a new way to manage risk, or clear all of their trades. Stated another way, this problem threatens to deny the end-user clearing exception to those end-users who have chosen to hedge their risk in an efficient, highly-effective and risk-reducing way. It is difficult to believe that this is the result Congress hoped to achieve.—Ms. Marie N. Hollein, C.T.P., President and CEO, Financial Executives International, on behalf of the Coalition for Derivatives End-Users

SUBTITLE C—INDEMNIFICATION REQUIREMENTS
RELATED TO SWAP DATA REPOSITORIES*Section 331—Indemnification requirements*

Section 331 strikes the indemnification requirements found in “Sections 725 and 728 of the Dodd-Frank Act related to swap data gathered by swap data repositories (SDRs) and derivatives clearing organizations (DCOs). The section does maintain, however, that before an SDR, DCO, or the CFTC shares information with domestic or international regulators, they have to receive a written agreement stating that the regulator will abide by certain confidentiality agreements.

Swap data repositories serve as electronic warehouses for data and information regarding swap transactions. Historically, SDRs have regularly shared information with foreign regulators as a means to cooperate, exchange views and share information related to OTC derivatives CCPs and trade repositories. Prior to Dodd-Frank, international guidelines required regulators to maintain the confidentiality of information obtained from SDRs, which facilitated global information sharing that is critical to international regulators’ ability to monitor for systemic risk.

Under Sections 725 and 728 of the Dodd-Frank Act, when a foreign regulator requests information from a U.S. registered SDR or DCO, the SDR or DCO is required to receive a written agreement from the foreign regulator stating that it will abide by certain confidentiality requirements and will “indemnify” the Commissions for any expenses arising from litigation relating to the request for information. In short, the concept of “indemnification”—requiring a party to contractually agree to pay for another party’s possible litigation expenses—is only well established in U.S. tort law, and does not exist in practice or in legal concept in foreign jurisdictions.

These indemnification provisions—which were not included in the financial reform bill passed by the House of Representatives in December 2009—threaten to make data sharing arrangements with foreign regulators unworkable. Foreign regulators will most likely refuse to indemnify U.S. regulators for litigation expenses in exchange for access to data. As a result, foreign regulators may establish their own data repositories and clearing organizations to ensure they have access to data they need to perform their supervisory duties. This would lead to the creation of multiple databases, needlessly duplicative data collection efforts, and the possibility of inconsistent or incomplete data being collected and maintained across multiple jurisdictions.

In testimony before the House Committee on Financial Services in March of 2012, the then-Director of International Affairs for the SEC, Mr. Ethiopis Tafara, endorsed a legislative solution to the problem, stating that:

The SEC recommends that Congress consider removing the indemnification requirement added by the Dodd-Frank Act . . . the indemnification requirement interferes with access to essential information, including information about the cross-border OTC derivatives markets. In removing the indemnification requirement, Congress would assist the SEC, as well as other U.S. regulators, in securing the access it needs to data held in global trade repositories. Removing the indemnification requirement would address a significant issue of contention with our foreign counterparts . . .

At the same hearing, the then-General Counsel for the CFTC, Mr. Dan Berkovitz, acknowledged that they too have received growing concerns from foreign regulators, but that they intend to issue interpretive guidance, stating that “access to swap data reported to a trade repository that is registered with the CFTC will not be subject to the indemnification provisions of the Commodity Exchange Act if such trade repository is regulated pursuant to foreign law and the applicable requested data is reported to the trade repository pursuant to foreign law.”

To provide clarity to the marketplace and remove any legal barriers to swap data being easily shared with various domestic and foreign regulatory agencies, this section would remove the indemnification requirements found in Sections 725 and 728 of the Dodd-Frank Act related to swap data gathered by SDRs and DCOs.

On March 14, 2013, at a hearing entitled “Examining Legislative Improvements to Title VII of the Dodd-Frank Act,” Mr. Larry Thompson, Managing Director and General Counsel, the Depository Trust and Clearing Corporation, provided the following testimony with respect to provisions of H.R. 742, which were included in Section 331:

The Swap Data Repository and Clearinghouse Indemnification Correction Act of 2013 would make U.S. law consistent with existing international standards by removing the indemnification provisions from sections 728 and 763 of Dodd-Frank. DTCC strongly supports this legislation, which we believe represents the only viable solution to the unintended consequences of indemnification. H.R. 742 is necessary because the statutory language in Dodd-Frank leaves little room for regulators to act without U.S. Congressional intervention. This point was reinforced in the CFTC/SEC January 2012 Joint Report on International Swap Regulation, which noted that the Commissions “are working to develop solutions that provide access to foreign regulators in a manner consistent with the DFA and to ensure access to foreign-based information.” It indicates legislation is needed, saying that “Congress may determine that a legislative amendment to the indemnification provision is appropriate.” H.R. 742 would send a clear message to the international community that the United States is strongly committed to global data sharing and determined to avoid fragmenting the current global data set for over-the-counter (OTC) derivatives. By amending and passing this legislation to ensure that technical corrections to indemnification are addressed, Congress will help create the proper environment for the development of a global trade repository system to support systemic risk management and oversight.

Mr. ELLISON. Mr. Speaker, I yield 2½ minutes to the gentleman from Michigan (Mr. KILDEE), who is a member of the Financial Services Committee and an active participant on that committee.

Mr. KILDEE. I thank my friend for yielding.

Mr. Speaker, here we are on the second day of the 114th Congress. It has not yet been 24 hours since Members of this Congress were sworn in. What we have before us is a package of 11 complex bills with significant implications for our financial system—and I want to make this very clear, as my friend pointed out—some of which have not gone through the process of scrutiny by the Financial Services Committee or the regular legislative process. Some of it has and some of it has not, but it has not been at all by this Congress. This is not an emergency. Unlike TRIA, which expired before we left, there is not a time-sensitive nature of this question.

It is really important to me—and especially as now a second-term Member—to remember what it was like to show up here and to have things put in front of us that we had not really had a chance to fully and thoroughly vet.

□ 1330

The regular order—as was spoken about yesterday—it is critical for the minority to have access to the process, and it is only done through the regular legislative process.

This legislation just continues to give and give and give to Wall Street.

Despite the fact that my principal objection is with the lack of adherence to regular order and the process of legislating, substantively, there are problems with this legislation. Wall Street banks, whose banks and traders recklessly drove this country into a financial crisis, are being rewarded yet again, and I can't accept it. I can't support it.

What is really interesting to me is that here we are, less than 24 hours since we have been in Congress, yet in the last Congress, when Main Street had its needs, when unemployed people couldn't get Federal unemployment benefits, we couldn't get a hearing; we couldn't get a vote on the floor of the House for legislation that was bipartisan, that had an equal number of Democrats and Republicans supporting it.

When Wall Street asks, we suspend the rules in less than a day without taking a breath and move to fit their needs into our schedule. But when Main Street needs help, Congress didn't give an answer. This is not right.

We have got to get back to regular order. We talk about it all the time. We hear it on both sides. This is not a good start for the 114th Congress, to suspend the rules and deal with new language that many of us have just seen this morning, to pass legislation that is a gift-wrapped present to Wall Street. I can't support it. I urge my colleagues to reject this legislation.

Mr. FITZPATRICK. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. HURT), a member of the Financial Services Committee.

Mr. HURT of Virginia. Mr. Speaker, I rise in support of the Promoting Job Creation and Reducing Small Business Burdens Act. I would like to thank Mr. FITZPATRICK and Chairmen HENSARLING and GARRETT for their leadership on increasing access to capital for small businesses.

As we begin a new Congress, I am glad to see that the House will continue its laser focus on enacting policies to help spur job creation throughout the country. Even though we have seen modest economic growth, I continue to hear from my constituents about the impacts of unnecessary and overly burdensome regulations on job creation, especially regulations that disproportionately affect smaller public companies and those considering accessing capital in the public markets.

One such requirement is related to the use of eXtensible Business Reporting Language, XBRL, which was mandated by the SEC in 2009. While the SEC's rule is well intended, this requirement has become another example of a regulation where the costs outweigh the potential benefits. These small companies expend tens of thousands of dollars or more complying with the regulation, yet there is evidence that less than 10 percent of investors actually use XBRL, further diminishing its potential benefits.

That is why last Congress, the gentlewoman from Alabama, Representa-

tive SEWELL, and I authored the bipartisan Small Company Disclosure Simplification Act, which is incorporated into title VII of H.R. 37. I would like to thank Representative SEWELL for her diligent work on this legislation, which passed the Financial Services Committee last Congress with bipartisan support.

This provision will provide an optional exemption for emerging growth companies and smaller public companies from the requirement to file their information in XBRL with the SEC, in addition to the information that they already file.

Additionally, this title requires the SEC to perform a cost-benefit analysis on the rule's impact on smaller public companies, something it failed to adequately address in the original rule, and also to provide additional information to Congress on how the SEC and the market are using XBRL.

Whether a supporter or a sceptic of XBRL, these provisions will help provide a pathway for the SEC to focus on developing a system of disclosure for smaller companies that eliminates unnecessary costs while achieving greater benefits.

I believe H.R. 37 offers a practical step forward on these regulatory requirements in line with the intent of the original JOBS Act, ensuring that our regulatory structure is not disproportionately burdening smaller companies and disincentivizing innovative startups from accessing the public markets.

I ask my colleagues to join me in voting “yes” on H.R. 37 so that we can continue to promote capital access in the public markets and spur job growth in communities all across this great country.

Mr. ELLISON. Mr. Speaker, I yield 2½ minutes to the gentleman from Massachusetts (Mr. LYNCH), who is the former subcommittee ranking member on the Oversight Committee and is an active member on the Financial Services Committee.

Mr. LYNCH. I thank the gentleman for yielding.

Mr. Speaker, if I may, I would like to just amplify some of the concerns raised by the gentleman from Michigan (Mr. KILDEE) in his remarks about the fact that here we are, just the second day of this Congress, and we have a group of 11 bills that have been rolled up. There are many new provisions here that have never seen a hearing, unfortunately. This is not the open process that we had hoped for and had spoken about just yesterday.

We have had very limited opportunity to review some of these new sections. Again, they have not had a hearing. They have not gone through regular order.

H.R. 37 contains 11 separate bills, some of which I support, but some of which I oppose strongly. Portions of H.R. 37 have entirely new provisions that most Members have not had the opportunity to thoroughly analyze.

For example, title XI of this bill modifies SEC rule 701 on stock-sharing. It allows private companies to compensate their employees up to \$10 million in company stock without having to provide the employees with certain basic financial disclosures about the company. I voted against a similar bill, H.R. 4571, in the last Congress when it was marked up.

But I also want to point out, that while I strongly support employees receiving equity benefits from the firms in which they work, those benefits should be tangible and real. We all remember Enron and WorldCom, where the company, as compensation to those employees, actually pressured them into buying company stock and did not provide full information to them. And eventually, those shares were worthless. So you had thousands of workers being partly compensated in company stock, and the stock was worth zero.

Now we are going to expand this opportunity from \$5 million to \$10 million a year that each company will be able to pay their employees with company stock, and they don't have any obligation because part of this bill does not require them to make any type of a disclosure, Mr. Speaker. And there is no opportunity for those employees to get accurate financial information about whether the stock that they are being paid with is worth anything. It is just a bad road to go down.

In closing, this bill uses the veneer of job creation to provide special treatment for the well-connected corporations, mergers and acquisition advisers, and financial institutions while doing very little to address the needs of those workers.

With that, I urge my colleagues to vote "no" on the bill.

Mr. FITZPATRICK. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. CRAWFORD), a member of the Agriculture Committee.

Mr. CRAWFORD. I thank my colleague from Pennsylvania (Mr. FITZPATRICK) for his leadership on this.

Mr. Speaker, I rise in strong support of H.R. 37 and would particularly like to comment on title V. In order to provide market transparency, the Dodd-Frank law requires post-trade reporting to Swap Data Repositories, or SDRs, as they are called, so that regulators and market participants have access to real-time market data that help identify systemic risk in the financial system. So far, we have made great strides in reaching this goal, but unfortunately, a provision in the law threatens to undermine our progress unless we fix it.

Currently, Dodd-Frank includes a provision requiring a foreign regulator to indemnify a U.S.-based SDR for any expenses arising from litigation relating to a request for market data. Unlike the rest of the world, though, the concept of indemnification is only established within U.S. tort law. As a result, foreign regulators have been reluctant to comply with this provision,

and international regulatory coordination is being thwarted.

While the intent of the provision was to protect market confidentiality, in practice, it threatens to fragment global data on swap markets. Without effective coordination between international regulators and SDRs, monitoring and mitigating global systemic risk is severely limited.

H.R. 37 fixes this problem by removing the indemnification provisions in Dodd-Frank. This has broad bipartisan support, and a separate bill to do this was unanimously approved last year by the House Ag Committee and the House Financial Services Committee. Additionally, last year, the SEC testified to the Financial Services Committee that a legislative solution was needed, saying: "In removing the indemnification requirement, Congress would assist the SEC, as well as other regulators, in securing the access it needs to data held in global trade repositories."

If left unresolved, the indemnification provision in Dodd-Frank has the potential to effectively reduce transparency and undo the great progress already being made through the cooperative efforts of more than 50 regulators worldwide. In passing this legislation, we will ensure that regulators will have access to a global set of swap market data, which is essential to maintaining the highest degree of market transparency and risk mitigation. I strongly urge my colleagues to vote "yes" on this bill.

Mr. ELLISON. Mr. Speaker, may I inquire, how much time does the Democratic side have remaining?

The SPEAKER pro tempore. The gentleman from Minnesota has 7 minutes remaining.

Mr. ELLISON. At this time, Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. CAPUANO), who was the ranking member on the Financial Services Committee for the Subcommittee on Housing and Insurance.

Mr. CAPUANO. I thank the gentleman for yielding.

Mr. Speaker, on the last bill, the TRIA bill, when we were still arguing about it, some people on the other side accused people like me, who support the TRIA bill, of being in favor of corporate welfare. Now, as a liberal on most issues, I don't think many people would confuse me with someone who was generally in favor of corporate welfare, but I will take it.

On this bill—because I am going to oppose it on one basic provision—I am going to be called "against jobs."

Rhetoric is cheap. Titles of bills don't mean anything. And in this bill, particularly the provision that was just spoken about, title V—there are plenty of things in this bill that I like that I would be happy to vote for. Bring them up separately, and I will. There are a couple of things here that I don't like too much, but we can find common ground on it. But all of that

pales when you look at one provision in here that guts the Volcker rule.

It is simple: in 2006, collateralized debt obligations pretty much brought the world economy to its knees and hurt not just Wall Street, but hurt me, hurt my neighbors, hurt my family, and hurt a lot of average Americans because we allowed our financial service industry to gamble with somebody else's money.

And of course they gambled. They won a lot of money. And then when they lost, they didn't lose their money. They lost our money, and we had to come in with a bailout.

This is a corporate bailout—not with taxpayer money, but with depositor money, depositors who are not interested in giving their money to an institution so that they can gamble it on risky items that they will see no benefit from. That is what the Volcker rule says: if you want to gamble, use your money. Good luck. Don't gamble with my money unless I say so.

That is all the Volker rule says. It has worked pretty well. The economy is recovering. Everybody knows that. Everybody agrees with it.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. ELLISON. I yield the gentleman an additional 30 seconds.

Mr. CAPUANO. This bill will allow three, only three of our Wall Street institutions—which control 70 percent of the collateralized loan obligation business; three of them control 70 percent of the business—to gamble with depositors' money again without those depositors having a say in it.

When they collapse and depositors lose their money, those of you who vote for this bill will have to explain it to them. This is unnecessary. It is inappropriate. And we should not be voting for this bill, mostly because of that single provision.

Mr. FITZPATRICK. Mr. Speaker, I would just note that the provision that the gentleman from Massachusetts (Mr. CAPUANO) is referring to was heard in committee. The title of the bill passed in the committee with well over 50 votes. It passed unanimously on the floor of the House by voice vote, and not a single Democrat rose to object to the bill, but that was last year.

Right now, Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. WOMACK).

Mr. WOMACK. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. FITZPATRICK) for bringing this collection of bills to the House floor.

I would also like to express my gratitude to Representatives HIMES, DELANEY, and WAGNER for working with me on one of the underlying bills, the bipartisan H.R. 801, in the last Congress.

Mr. Speaker, in this new Congress, adding jobs to our economy is a top priority. And passing the Promoting Job Creation and Reducing Small Business Burdens Act is an opportunity for us to create a better environment for private sector growth and job creation.

□ 1345

Title III, also known as H.R. 801, is no exception, and I am proud to rise in support of its passage.

A year ago this month, I came to this floor to speak on the underlying bill which passed overwhelmingly in this Chamber 417-4. While it is unfortunate the bill was never considered by the Senate, it is clear today that in the 114th Congress, its prospects are better.

Small financial institutions are essential to the communities they serve. They have a deep and abiding love for the towns they serve because these towns are their towns, and our constituents—small business owners, farmers, hardworking Americans—rely on these institutions to meet payroll, to purchase equipment, or to buy a car or home.

Unfortunately, Mr. Speaker, these financial institutions have come under fire from Washington because of its regulatory overreach, forcing them to spend increasing shares of their resources to comply with onerous regulations—requirements intended for larger banks—instead of having the flexibility they need to serve their communities.

Let's be clear: small community banks and savings and loan holding companies were not the cause of the financial crisis, and I don't believe they should be treated as though they were the cause. I am not alone. In the 112th Congress, the House and Senate acted to eliminate some of these unnecessary burdens by passing the JOBS Act.

Among other things, the bill raised the registration threshold for bank holding companies from 500 to 2,000 shareholders and increased the deregistration threshold from 300 to 1,200 shareholders, better positioning these banks to increase small business lending and, in turn, promote economic growth in our communities; but due to an oversight in the JOBS Act, it did not explicitly extend these new thresholds to savings and loan holding companies as well.

As a cosponsor of the JOBS Act, I can say with absolute certainty that wasn't our intent, and I subsequently supported report language in the approps bill of Financial Services to clarify and ensure that savings and loan holding companies should be treated in the same manner as bank and bank holding companies. Additionally, Representative HIMES and I have written to the FCC and asked that they use their authority to carry out our original intent.

In spite of these actions and the House passage of H.R. 801 last Congress, we are still without successful resolution to the problem. Today's vote can change that, Mr. Speaker, and I urge my colleagues to support this bill and the overall legislation.

Mr. ELLISON. Mr. Speaker, last Congress, H.R. 4167 passed. I voted against it, but it is not the same as the language in title VIII which is in this bill today, which extends by 2 years the delay we requested, totaling 5 years. It

is not the same legislation. This bill, title VIII, has not passed before. It is new.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. AL GREEN).

Mr. AL GREEN of Texas. Mr. Speaker, my colleague, the Honorable TED POE, will recognize this name. The Honorable Lee Duggan, a district court judge in Houston, Texas, reminded young lawyers that we live in a world where it is not enough for things to be right, they must also look right, and this bill doesn't look right. It doesn't look right when you combine 11 bills into one overnight and then present that to the floor without any amendments being available to the bill.

We should not allow a poison-pill process to develop at the genesis of this Congress. If we do it now, we will continue to do it. I think we have to concern ourselves not only with these 11 bills, but with the many other bills that are to follow. We can never allow this to start the new Congress. We should prevent it.

I would also add this. I am all for doing a lot of things with a hurry-up process. I would like to see us do something about minimum wage; we are not doing anything about minimum wage at all thus far. I would like to see us do something about comprehensive immigration reform; that will be a piece-meal deal if it ever becomes a bill.

Mr. Speaker, I stand with those who believe that the process ought to be fair. It ought to favor the openness that allows for amendments. I say to you that this is not right, and it doesn't even look right.

Mr. FITZPATRICK. Mr. Speaker, I reserve the balance of my time.

Mr. ELLISON. Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois, JAN SCHAKOWSKY.

Ms. SCHAKOWSKY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, at the end of last year, over my strenuous objections, we wrapped up a big present for Wall Street. We put taxpayers back on the hook for losses that are connected to certain derivatives trading, among the riskiest bets that banks make.

Well, Christmas is over, and Hanukkah is over, but the gifts keep on coming for Wall Street. Within this bill is another provision that cuts at the heart of the Dodd-Frank Wall Street reform legislation. It delays a portion of the Volcker rule, which bans federally insured banks from making those risky bets or investing in risky funds, including packages known as collateralized loan obligations, or CLOs.

Mortgage-backed securities brought our economy almost crumbling to the ground in 2008, and we are still recovering. Taxpayers bailed out the big banks; yet for millions of homeowners who were forced from their homes and millions of others who are still under water, there hasn't been any assistance. People are right to be angry about this, and they are right to object

to this new giveaway to Wall Street interests.

CLOs are similar to toxic mortgage-backed securities. The only difference is that instead of bad mortgages, these packages involve junk-rated corporate loans and a mix of other risky assets.

The Office of the Comptroller of the Currency said last month that the corporate debt market is overheating and becoming increasingly dangerous, and CLOs are the big reason why. This has all the markings of another economy-crushing disaster.

Who gets the upside if Wall Street is able to continue packaging and selling CLOs with taxpayer backing? Wall Street. Who loses if and when those bets go wrong? The rest of us. It is heads, Wall Street wins; tails, everybody else loses.

Mr. Speaker, as Dennis Kelleher of Better Markets said, "The attack on the Volcker rule has been nonstop."

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. ELLISON. I yield the gentlewoman an additional 15 seconds.

Ms. SCHAKOWSKY. Mr. Speaker, the truth is that the American people deserve better, and we are tired of really bad Wall Street giveaways being tacked on to other legislation. This looks like a Republican strategy to put Wall Street over Main Street.

Mr. FITZPATRICK. Mr. Speaker, I reserve the balance of my time.

Mr. ELLISON. Mr. Speaker, this big bill may have some things that are not bad, but it also contains a bill that delays protection of our economy and families from Wall Street gambling, and it should be voted down.

We urge a very strong "no" on this bill. Go back, do it right, follow the process, regular order, and maybe we could make some progress here.

I yield back the balance of my time.

Mr. FITZPATRICK. Mr. Speaker, I yield myself such time as I may consume.

The bill before us today is here on the same procedure the Terrorism Risk Insurance Act reauthorization was here; we just debated that bill on the floor. They are both coming up under a suspension of the rules, and TRIA reauthorization last term, like these bills, were debated either in committee or on the floor in the full House.

The distinguished minority whip, in speaking about the TRIA bill, said that it is always the right time to do the right thing. In addition, he decried the process that delayed the reauthorization of TRIA—I agree with him on that—and he said there were well over 250 votes for the last year and a half for the reauthorization of TRIA.

I would submit and ask the RECORD to reflect, Mr. Speaker, the provisions of this bill, and we have heard about the 11 provisions, all of which went through the committee or the full House.

Title I amends Dodd-Frank and passed the House 411-12. It was introduced as a bipartisan bill, went

through the committee, had a committee hearing, both sides had witnesses, and all the questions were asked. There was a markup. At the markup, there were amendments. The bill passed the committee. It came to the floor of the House and passed 411-12.

Title II passed the committee 50-10. Title III passed on the full House after passing the committee 417-4. Title IV passed the House 422-0. Each one of these provisions were bipartisan, and they passed in a strong fashion on a vote either in the committee or the House.

Mr. Speaker, just yesterday, we were sent back here. We took the oath of office, sent by our constituents to do the right thing, to work together where we can, to identify problems, to address those problems, and to get stuff done, especially when it regards the American economy, small businesses, and the ability to get people to work to create jobs.

Each one of these titles in this bill identifies a problem in the economy, addresses it in a bipartisan way, and the time is now to pass this bill.

I urge my colleagues to vote "yes" on H.R. 37, pass the bill and send it to the Senate. With that, Mr. Speaker, I yield back the balance of my time.

Ms. JACKSON LEE. Mr. Speaker, I rise in strong opposition to H.R. 37, The Promoting Job Creation and Reducing Small Business Burdens Act of 2015.

This Trojan Horse legislation is actually a combination of eleven separate bills, ten of which were authored by Republican members of the Committee.

I believe that Members should be afforded the opportunity to offer amendments and have a full and fair debate on these bills. However, by considering this package under Suspension of the Rules, Republicans begin the new year by denying Members the opportunity to thoroughly debate a measure that will have far-reaching impact.

Let's be clear: regulators have made tremendous progress in implementing the Dodd-Frank Act. The Consumer Financial Protection Bureau has already returned \$4.6 billion to 15 million consumers who have been subjected to unfair and deceptive practices, some of whom live in my Congressional District in Houston.

The CFPB has established a qualified mortgage rule, ensuring that borrowers who are extended mortgage credit actually have the ability to repay the loan, and has established new rules-of-the-road for mortgage servicers.

In addition, the CFPB has worked with the Department of Defense to develop financial protections for service members and veterans, and established a national database to aide consumers with complaints about debt collectors, credit card companies, and credit rating agencies, among others. Let us not turn back the clock on American consumers who already have seen the benefits of the CFPB's efforts.

The Volcker Rule has forced banks to sell off their standalone proprietary trading desks, and banks have shifted away from speculative trading to investments in the real economy. Shareholders of U.S. corporations now have the ability to have a "say-on-pay," voting to

approve or disapprove executive compensation.

In addition Mr. Speaker, the Securities and Exchange Commission (SEC) has recovered more than \$9.3 billion in civil fines and penalties since 2011, leveraging enhanced authorities provided by Dodd-Frank. The SEC has also established an Office of the Whistleblower to aid them in policing securities market violations, which has already received more than 6,573 tips from 68 countries. Further, private funds are making systemic risk reports to regulators, helping them to understand previously opaque risks.

To implement the Dodd-Frank Act, the CFTC has completed 65 final rules, orders, and guidance documents resulting in the registration and enhanced oversight of 102 Swap Dealers, two Major Swap Participants, 22 Swap Execution Facilities, and four Swap Data Repositories. In addition, the CFTC has established rules governing mandatory clearing, exchange trading, and reporting of the entire \$400 trillion notional swaps market.

It should also be noted that since Dodd-Frank's passage, stability in the market has led to significant economic growth. Nearly 9.7 million private sector payroll jobs have been created since February 2010.

There are now nearly 900,000 more workers employed in the private sector than before recession-related job losses began in early 2008. The unemployment rate has fallen by 3.9 percentage points since its peak of 10.0 percent in October 2009 and currently stands at 6.1 percent—its lowest level since September 2008. Real GDP has grown 10.2 percent since its trough in 2009, and now stands 5.5 percent higher than its pre-recession peak in late 2007. That in and of itself is news that the media should be discussing.

Moreover, the housing market is recovering, with home prices rising, negative equity falling dramatically, and measures of mortgage distress improving. The S&P 500 has risen by 85 percent since July 21, 2010 and has recently reached new peaks.

However, this progress has been regularly stymied by a concerted effort by the Majority to underfund regulators' operations, relentlessly pressure them to weaken regulations, and otherwise erect roadblocks to implementation. As a result, the progress regulators have made to implement the law remains precarious.

I urge my colleagues to reject this legislation and have a full debate on its merits.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. FITZPATRICK) that the House suspend the rules and pass the bill, H.R. 37.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. ELLISON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

LOW-DOSE RADIATION RESEARCH ACT OF 2015

Mr. SMITH of Texas. Mr. Speaker, I move to suspend the rules and pass the

bill (H.R. 35) to increase the understanding of the health effects of low doses of ionizing radiation.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 35

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Low-Dose Radiation Research Act of 2015".

SEC. 2. LOW DOSE RADIATION RESEARCH PROGRAM.

(a) IN GENERAL.—The Director of the Department of Energy Office of Science shall carry out a research program on low dose radiation. The purpose of the program is to enhance the scientific understanding of and reduce uncertainties associated with the effects of exposure to low dose radiation in order to inform improved risk management methods.

(b) STUDY.—Not later than 60 days after the date of enactment of this Act, the Director shall enter into an agreement with the National Academies to conduct a study assessing the current status and development of a long-term strategy for low dose radiation research. Such study shall be completed not later than 18 months after the date of enactment of this Act. The study shall be conducted in coordination with Federal agencies that perform ionizing radiation effects research and shall leverage the most current studies in this field. Such study shall—

(1) identify current scientific challenges for understanding the long-term effects of ionizing radiation;

(2) assess the status of current low dose radiation research in the United States and internationally;

(3) formulate overall scientific goals for the future of low-dose radiation research in the United States;

(4) recommend a long-term strategic and prioritized research agenda to address scientific research goals for overcoming the identified scientific challenges in coordination with other research efforts;

(5) define the essential components of a research program that would address this research agenda within the universities and the National Laboratories; and

(6) assess the cost-benefit effectiveness of such a program.

(c) RESEARCH PLAN.—Not later than 90 days after the completion of the study performed under subsection (b) the Secretary of Energy shall deliver to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a 5-year research plan that responds to the study's findings and recommendations and identifies and prioritizes research needs.

(d) DEFINITION.—In this section, the term "low dose radiation" means a radiation dose of less than 100 millisieverts.

(e) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to subject any research carried out by the Director under the research program under this Act to any limitations described in section 977(e) of the Energy Policy Act of 2005 (42 U.S.C. 16317(e)).

(f) FUNDING.—No additional funds are authorized to be appropriated under this section. This Act shall be carried out using funds otherwise appropriated by law.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SMITH) and the gentlewoman from Oregon (Ms. BONAMICI) each will control 20 minutes.